

VZCZCXYZ0000  
PP RUEHWEB

DE RUEHLP #1027/01 1912153  
ZNY CCCCC ZZH  
P 102153Z JUL 09  
FM AMEMBASSY LA PAZ  
TO RUEHC/SECSTATE WASHDC PRIORITY 1240  
INFO RUEHAC/AMEMBASSY ASUNCION 9095  
RUEHBO/AMEMBASSY BOGOTA 6487  
RUEHBR/AMEMBASSY BRASILIA 0449  
RUEHBU/AMEMBASSY BUENOS AIRES 7662  
RUEHCV/AMEMBASSY CARACAS 4708  
RUEHCP/AMEMBASSY COPENHAGEN 0536  
RUEHPE/AMEMBASSY LIMA 5039  
RUEHMN/AMEMBASSY MONTEVIDEO 6345  
RUEHQT/AMEMBASSY QUITO 7325  
RUEHSG/AMEMBASSY SANTIAGO 2088  
RUEHUB/USINT HAVANA 1815  
RHEHNSC/NSC WASHINGTON DC  
RHMFISS/HQ USSOUTHCOM MIAMI FL  
RUEAIIA/CIA WASHINGTON DC  
RUEKJCS/SECDEF WASHINGTON DC  
RHEFDIA/DIA WASHINGTON DC

C O N F I D E N T I A L LA PAZ 001027

SIPDIS

E.O. 12958: DECL: 07/10/2019  
TAGS: [PGOV](#) [PREL](#) [KDEM](#) [PHUM](#) [PINR](#) [ENVR](#) [SOCI](#) [BL](#)  
SUBJECT: GOB "SUSPENDS" USAID DEMOCRACY PROGRAMS

Classified By: CDA James Creagan for reasons 1.4 (b, d)

[1](#)1. (C) This is an action request. See paragraph 9.

[1](#)2. (C) Summary: Citing "orders from above," GOB Planning and Development Minister Noel Aguirre on July 9 delivered a letter to CDA Creagan suspending all USAID democracy programs as of July 15. Aguirre acknowledged such a decision could negatively impact the next session of the ongoing bilateral talks but said he had to deliver the message. Embassy recommends further discussion with the GOB on the specific ramifications of this decision, as the specific meaning of the suspension is not entirely clear and as several of the affected programs appear to be of great value to the GOB and their supporters. However, Embassy also cautions that this action should not be seen as an aberration or hiccup in bilateral relations, but rather a reflection of values held at the highest levels of the GOB. In a June 27 meeting with Special Envoy to Bolivia Maria Echaveste, influential Presidency Minister Juan Ramon Quintana proposed "leaving USAID in the freezer" while forming "new rules" for economic development that would not include USAID. Embassy also requests guidance on a response, in the form of a diplomatic note, to the GOB letter. End summary.

- - - - -  
Democracy Programs to "Remain Without Effect"  
- - - - -

[1](#)3. (C) On July 9, at roughly the same time as President Morales was telling news media that "President Obama should maintain diplomatic relations without interference," Planning and Development Minister Noel Aguirre somewhat apologetically delivered an official letter to CDA James Creagan and Acting USAID Director John Niemeyer, stating that as of July 15, all of USAID's democracy programs "remain without effect" ("queda sin efecto"). In conversation, Aguirre referred to the July 15 deadline as a "suspension", but at this time it is unclear exactly what the GOB desires or which USAID programs would actually be affected.

[1](#)4. (C) There is recent context for this announcement. In a June 27 meeting with the Secretary's Special Envoy to Bolivia Maria Echaveste, Presidency Minister Juan Ramon Quintana made a litany of negative accusations regarding USAID democracy

programs. During the meeting, Quintana brandished a PowerPoint demonstration printout that, he said, listed the myriad ways in which USAID was plotting to bring down the Morales government. "They work unstintingly to hurt our standing among the people, even meeting with 'pseudo-indigenous' leaders to plot against us," he said. Quintana rattled off the names of seven members of former President Gonzalo Sanchez de Lozada's administration who he said were working for NGOs funded by USAID. (Notes: The Morales administration is actively pursuing the former president's extradition from the United States. Also, Quintana is familiar with USAID working practices, having himself worked with a former USAID implementing partner. End notes.) With this, he accused USAID of making "clandestine efforts" to bring down the government and raised the question, "Is it better for our relations that USAID exist here, or leave?" He suggested we define new rules for economic development that would not involve USAID, proposing "we leave USAID in the freezer."

15. (C) In the July 9 meeting with Minister Aguirre, CDA Creagan underscored the importance of the democracy programs to the Bolivian people and the potential negative impact of such a decision by the GOB on the ongoing bilateral talks, but Aguirre seemed unauthorized to make a formal response. Instead, he repeated Quintana's talking points from the June 27 meeting with Special Envoy Echaveste, maintaining that USAID was employing opposition leaders to undermine the government. He dismissed CDA Creagan's statements that people hired for USAID democracy programs were selected based solely on expertise and not on political affiliation. Responding to charges by Aguirre (and Quintana) that USAID was not transparent, Creagan noted that USAID representatives had held lengthy discussions on program operations with the GOB's Vice Minister for Foreign Financing and others, with discussions totalling some 20 hours. While it seemed the Minister was not aware of such outreach efforts, he generally repeated what appeared to be the "party line." When Acting Director Niemeyer offered to provide more information to the GOB regarding the democracy programs (although such information has been offered to the GOB before), Aguirre agreed to accept the information but repeated that "the decision on the Democracy program has been made."

16. (C) After stating that the decision was out of his hands, Aguirre did agree the fate of the democracy programs would be subject to further discussion during the bilateral talks. "The need is to look to the future," Aguirre said. CDA Creagan agreed and urged Aguirre to communicate to others in the GOB the potential negative impact suspension (or cancellation) of USAID's democracy component in Bolivia could have on funding for other programs. Explaining that AID programs were funded by our Congress, CDA said formal GOB termination of the democracy programs could result in a Congressional movement to transfer a significant amount of USAID's Bolivia funding to other countries. He urged Aguirre and GOB decision makers to "keep the door open" to further discussion.

- - - - -  
Programs At Risk  
- - - - -

17. (C) While the GOB letter did not specify exactly which programs it considered to be suspended (as Democracy programs), USAID considers the following programs to be potentially affected:

- Access to Justice (including the Integrated Justice Centers, previously lauded publicly by President Morales for their effectiveness)
- Political Party Work (including work by the National Democratic Institute (NDI) and the International Republican Institute (IRI))
- Conflict Mitigation
- Municipal Strengthening (activities planned with close support of municipalities throughout the country, including many supported by the ruling Movement Toward Socialism (MAS))

party)  
-- Election Monitoring and Support for the National Electoral  
Court (including support for election monitoring by  
international observers including the Carter Center, the  
Organization of American States, and local NGOs such as  
Bolivia Transparente, among others)  
-- Support for Civil Society

- - - - -  
Next Steps  
- - - - -

18. (C) Embassy recommends against any USG actions or  
statements in the short-term that could be characterized in  
the Bolivian press as inflammatory or that would help the GOB  
"play the victim" publicly, especially as the letter is not  
specific about which specific programs are to be suspended,  
or even whether the GOB is requesting the programs' temporary  
suspension or permanent termination. Further, while the  
situation could change quickly, the GOB has not yet made this  
request public, which could suggest room for negotiation.  
(Note: The effective date for suspension of USAID democracy  
programs is July 15, a day before President Morales is  
scheduled to make an independence day address that could  
touch on bilateral relations. End note.)

19. (C) Action request: Embassy requests guidance on a  
response, in the form of a diplomatic note, to the GOB  
letter. (See text of the GOB letter below.) We intend to  
respond formally through the Foreign Ministry, even though  
the letter was from the Ministry of Planning and Development.  
Embassy suggests requesting further discussion with GOB  
representatives on precisely which components of the programs  
are to be suspended, after the GOB representatives have had  
time to review information we will submit on USAID democracy  
and governance programs. We believe the GOB will wish to  
keep certain programs, such as Access to Justice. Embassy of  
course would be pleased to provide a draft text for the  
diplomatic note.

- - - - -  
Comment  
- - - - -

110. (C) Given that past indicators often point to future  
results, and against the backdrop of several serious GOB  
actions without good explanation (e.g. the expulsions of  
Ambassador Goldberg, the DEA, Frank Martinez, and USAID  
programs in the Chapare, in addition to an ongoing program to  
oust USAID from El Alto), Embassy notes its concern over this  
GOB effort to suspend (or terminate) USAID democracy programs  
in the middle of ongoing bilateral discussions. Despite the  
recent meetings between Special Envoy Echaveste and  
high-level GOB representatives, including President Morales,  
the GOB continues to publicly castigate the USG. Foreign  
Minister Choquehuanca said July 7 that "we no longer believe  
U.S. negotiators" and that "President Obama is worse than  
President Bush." The recent USG decision not to restore  
ATPDEA benefits also triggered intense negative GOB rhetoric  
and may have contributed to this action.

111. (C) While we affirm the need for bilateral talks to help  
normalize relations and do not feel this most recent action  
should derail the discussions, we also recommend development  
of a contingency plan in case the GOB halts bilateral talks  
or fails to act in good faith. Such a contingency plan would  
analyze how best to implement USG interests in Bolivia, to  
include counternarcotics programming, preserving democratic  
institutions (i.e. prevent Bolivia from becoming a failed  
state), and basic humanitarian aid, in case the GOB turns  
away from collaborating in the bilateral discussions in favor  
of continuing its antagonistic posture.

- - - - -  
GOB Letter Text (Translated)  
- - - - -

112. (U) Text of letter follows:

Ministry of Planning and Development

La Paz, July 9, 2009

To: Mr. John R. Niemeyer, USAID Director

Through this letter and by decision of the national government, permit me to communicate to you that from July 15 of the present year, the democracy program authorized by USAID shall remain without effect.

At the same time, we reiterate our request that you remit to us detailed reports relating to the following programs:

- Economic Opportunity
- Democracy
- Health
- Environment
- Alternative Development

With appreciation for your kind attention, I send you my most sincere regards.

Noel Aguirre Ledezma

CREAGAN